

JUL 28 1964

Allen-Scott Report

Poverty Program Under Attack



Mr. Allen

By ROBERT S. ALLEN
AND PAUL SCOTT

WASHINGTON — The explosive situation in Harlem is slated to be one of the key issues in next week's House debate on President Johnson's billion dollar anti-poverty program.

Opponents are planning a series of blistering speeches spotlighting how the sweeping powers President Johnson is seeking for his "poverty czar" may be used to undermine the New York City administration by pouring vast sums of money into private Harlem civil rights groups.

Headed by Representative Peter Frelinghuysen, R-N.J., these legislators will warn that Sargent Shriver, acting director of the poverty program, plans this unprecedented use of federal funds to combat poverty in the nation's largest city if Congress votes him the authority.

Under the President's proposal, the director of the Office of Economic Opportunity (Shriver) is empowered to personally select private groups to receive funds under the billion dollar program.

In launching their attack, the Frelinghuysen group is circulating to all House members a memorandum warning that such use of federal funds could "stir up a nightmare of trouble" in New York rather than stamp out poverty.

As an example of their fears, they point out that Shriver already has intervened in this tense situation by forcing a merger of Haryou, Harlem Youth Group, and Aot, a militant negro civil rights organization, by promising them federal aid to fight poverty provided they joined forces.

Shriver's proposal bypasses the local city government, according to the legislators, and gives instead nearly \$100 million to Haryou-Aot, the newly merged group which is active in pressuring Mayor Wagner to curb the Police Department's powers.

Haryou - Aot also has joined the campaign of other civil rights groups in New York in demanding the suspension of Lieutenant Thomas R. Gilligan, the policeman whose off-duty shooting of 15-year-old James Powell sparked the Harlem riots.

In its memorandum calling on House members to vote curbs on Shriver's unprecedented powers, the Frelinghuysen group stresses the bitter controversy going on among city and private groups for control of the proposed funds to fight poverty in New York.

Highlights of this memorandum include:

"The bill opens the way for direct federal involvement in the activities of every private organization in New York without the necessity for participation or approval of the city government.

"We have had for a period of weeks now a struggle going on in New York City between several groups for control of some \$110 to \$118 million.

"In order to qualify for assistance, two groups, the so-called HARYOU group and ACT, have been ordered by Mr. Shriver, director of the program, to merge, and a power struggle has developed over who should control the new organization.

"In another instance, Paul Screvane, the president of the City Council, is opposing the efforts of a group in Brooklyn to receive poverty funds directly from the federal government. The group was formed by Abe Stark, borough president of Brooklyn.

"Instead of a community action program being developed in New York to fight poverty, this bill is an open invitation for any group to fragment what the city of New York either is doing or should be doing to stamp out unemployment and juvenile delinquency.

"Unless restrictions are written into this legislation, there is great danger that federal funds will be used for political advantage by private groups at the local level."

Otto Otepka, State Department security official, is going to get his long-delayed hearing on charges that he gave classified information to a Senate committee investigating security risks in government.

The hearing was ordered after Otepka turned down an offer from Secretary of State Rusk to drop the charges if he would agree to a transfer from the State Department's security office.

Otepka refused on the ground that he has both a legal and moral right to his old job — as chief security evaluation officer — since he has done nothing wrong.

Secretary Rusk made the offer to Otepka through Senator James Eastland, D-La., Chairman of the Senate Internal Security Subcommittee which is probing the department's efforts to oust Otepka.

In preparing his defense, Otepka plans to subpoena more than 30 high-ranking State Department and CIA officials for questioning, including those who bugged his phone.

Otepka also is planning to pinpoint security risks now serving in key State Department posts — on many of whom he had turned in adverse security reports.

FOIAb3b

CPYRGHT

CPYRGHT